

**VIRGINIA DEPARTMENT OF SOCIAL SERVICES**  
**ASSISTED LIVING FACILITY**  
**COST REPORT REQUIREMENTS**

The following items are intended to highlight and compliment the Instructions For Completing the Assisted Living Facility (ALF) Cost Report plus all regulations pertaining to the Auxiliary Grants (AG) Program: Levels of Care and Rate Setting (Title :22 VAC 40-25 ET SEQ).

- ❖ Letters confirming and establishing the AG rate will be mailed to all ALFs as the cost reports are submitted and approved. ALFs desiring to use a cost report recently submitted must contact the VDSS (Virginia Department of Social Services), DOF (Division of Finance) to verify if it can be applied for the new period.
- ❖ ALF rates are valid for 12 months unless an ALF is required to submit a new cost report because of significant operational changes, a change in ownership, or a change in location. ALFs that have been in licensed operation more than 12 months must establish an approved rate by submitting cost reports for the preceding calendar year. For cost reports submitted, other than initial cost reports for newly licensed ALFs, new approved rates will be effective no later than the first day of the second month following the month VDSS-DOF receives the cost report.
- ❖ Newly licensed ALFs must submit an initial cost report based on the first 90 days of operation but within 150 days of licensure. For cost reports submitted and approved for this period, the effective date of the maximum AG rate will be made retroactive to the ALFs date of licensure. Cost reports submitted after 150 days will be effective no later than the first day of the second month following the month VDSS-DOF receives the cost report.
- ❖ Newly licensed ALFs that previously submitted an initial cost report, must submit new cost reports for the preceding 12 months within 90 days following the 12-month anniversary date of VDSS license issuance. However, we request that all cost reports be submitted annually for the period ending on December 31 when practical.
- ❖ Separate cost reports must be submitted for each licensed ALF.
- ❖ All cost report data must be reported on the forms provided by VDSS.
- ❖ All cost reports are subject to audit by the VDSS.
- ❖ All financial information reported on the cost report must be reconcilable to the ALF's general ledger system or similar records. Retroactive adjustments and establishment of a liability to the ALF could result if financial information is not reconcilable to sound accounting records and practices. Records must be retained for three years after the end of the reporting period or until audited, whichever is first.

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- ❖ All deviations from the enclosed instructions regarding the completion of the cost report are subject to approval of VDSS, Division of Finance.

- ❖ Submit completed cost reports to:  
Virginia Department of Social Services  
Division of Finance  
ALF Cost Report Section  
7 N. Eighth Street  
Richmond, Va. 23219

Advance cost report copies can be faxed to 804-692-1339; HOWEVER, originals must be sent to the above address.

- ❖ If you have any questions, please call Vanessa J. Majors at (804) 692-1330, or e-mail
- ❖ [vjm@dss.state.va.us](mailto:vjm@dss.state.va.us).